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TAGS: [PGOV](#) [ELAB](#) [PREL](#) [FR](#) [SOCI](#) [PINR](#) [EUN](#)  
SUBJECT: SARKOZY ADVISOR ON FIRST EMPLOYMENT CONTRACT, END  
OF VILLEPIN'S PRESIDENTIAL CHANCES

REF: PARIS 953

Classified By: PolMC Josiah Rosenblatt for reasons 1.4 (B & D).

11. (C) Summary: Former Industry Minister and close Sarkozy advisor Patrick Devedjian predicted March 15 that student and labor union opposition to the First Employment Contract (CPE) was spreading and might yet become a major test for the government. In any event, he believed that PM de Villepin was finished as a potential presidential candidate. Devedjian blamed the current impasse squarely on Villepin's impetuosity and autocratic methods, which, while leaving the governing party (and Sarkozy) no choice but to support him publicly, had given the opposition Socialist Party a potent rallying call for coalescing against the government. He thought it possible but not likely that Villepin would be replaced, but ruled out a Sarkozy prime ministership as "suicidal." Devedjian nonetheless judged that knowledge of Sarkozy's "differences" with President Chirac and Villepin, despite his official support for the government, would spare him most of the electorate's wrath and leave him well positioned to win the 2007 party nomination and presidential elections. Devedjian saw Segolene Royal as the opponent to be most feared on the left, although he thought she might self-destruct if nominated by the PS, and believed that the PS would probably prevent her from winning its nomination in any case. Comment: Devedjian's views, reported here, are four parts hard analysis, one part wishful thinking. End comment and summary.

12. (U) Patrick Devedjian, former Industry Minister and close advisor to Interior Minister and UMP President Nicolas Sarkozy, met March 15 with Embassy reps from the U.S., the UK, Austria, Germany, Italy, Spain and Russia to discuss the state of play with respect to the First Employment Contract (CPE) and its impact on the current government under PM de Villepin, as well as the line-up for the 2007 presidential elections.

CPE and spreading unrest  
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13. (C) Devedjian described growing public opposition to the First Employment Contract (CPE) and declared he "was not optimistic" for the future, even if there was some hope that unemployment figures would begin to improve again. He predicted a turbulent period ahead -- beginning with the large demonstration planned for March 18 -- which would last at least one and one-half to two months, and judged that the government's only real option would be to try to ride out the storm in the hope that public opinion would eventually turn against the protesters. Although the government had promised a few amendments to the law to appease public opinion and was now expressing a willingness to engage in dialogue, Devedjian expressed concern that the manner in which the government had proceeded had resulted in uniting, or in his word, "coagulating," its adversaries. He concluded that developments had now moved "beyond the CPE."

More important than unrest in suburbs

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¶4. (C) Devedjian noted ironically that the students currently protesting against the CPE were relatively privileged and much more likely to find jobs than the uneducated and unemployed youths in the suburbs whom the CPE was intended to help. He saw nothing particularly unusual about this state of affairs, saying this was what always happened in France. He termed the November unrest in the suburbs "a revolt without a message" (sans discours), concluding that it was primarily a cultural revolt by third-generation immigrants. At the same time, he argued against multiculturalism, saying that the real problem lay in France's failure to inculcate adequately French culture and values into these unemployed youths and in the government's long-time policy of effectively ghettoizing immigrant populations in lieu of dispersing them throughout French society. He called for some kind of affirmative action and stressed the importance of demonstrating visibly that members of a minority can make it to the top. In sum, he did not appear to take last fall's suburban violence all that seriously. While the images of the unrest were spectacular, he said, they had little real (political) import.

Villepin to blame

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¶5. (C) Devedjian viewed Villepin's impetuous personality and autocratic style as largely responsible for the current impasse. Villepin's decision, during the recent debate in the National Assembly, to let other ministers respond to hostile questioning and distance himself personally from the CPE would not succeed in attenuating this perception. Devedjian blamed Villepin for his refusal to engage in dialogue with the labor unions before proceeding -- in

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particular with the generally pro-reform-minded CFDT that had supported Raffarin's pension reforms, and which had now turned against him. He criticized Villepin for repeating Balladur's mistake of 1994 of singling out one specific segment of the French public for reform, which to the French electorate smacked of discrimination and violated the principle of equality. Devedjian especially castigated Villepin's recourse to article 49.3 of the constitution to put a stop to parliamentary debate as "very dangerous" and a blow to the strength of democratic institutions. He decried France's "monarchical mentality," which viewed decisions in terms of decrees and offered solutions before discussing the questions.

UMP trapped, but Villepin finished

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¶6. (C) Devedjian described a UMP trapped by Villepin -- forced to support him on the CPE without enthusiasm because it was obligated to support the government. He believed that the government, having closed the doors to dialogue, no longer had any escape paths. Villepin's decision not to allow the opposition to debate the issue in parliament, if only as a venting exercise, had ineluctably moved the debate into the streets. Devedjian judged that the current unrest would spell the death knell for Villepin's presidential aspirations. If things got bad enough, he held out the possibility that Chirac would have to appoint a new prime minister, probably either Defense Minister Michele Alliot-Marie or Employment and Social Cohesion Minister Jean-Louis Borloo, while judging in the end that Chirac would probably stick with Villepin. Devedjian firmly ruled out the possibility of Sarkozy accepting the job as prime minister, which he said would be "suicidal." He did not believe that President Chirac would withdraw the law and suffer yet another loss of face. But whether the CPE remains or is jettisoned, Devedjian concluded, this would be the last reform pushed through by the current government.

Socialists smell blood

17. (C) Devedjian said that the Socialist Party (PS) had now smelled blood and had come to the conclusion that its views, and not those of the governing party, were more representative of a majority of the French electorate. Moreover, this was the latest in a string of setbacks that included, inter alia, the failed referendum on the EU constitutional treaty, growing opprobrium directed against Chirac, and the recent wave of social unrest in the suburbs. Sarkozy, he asserted, was the best positioned to overcome this alienation, since the public and press largely understood that he supported the government but was different from it (solidaire mais different). This would remain so despite efforts by PS presidential hopeful Dominique Strauss-Kahn to paint Villepin and Sarkozy with the same brush.

Sarkozy still the one to beat

18. (C) Devedjian expressed certainty that Sarkozy would be nominated to represent the governing party during the first round of the 2007 presidential elections, and that he would fare well enough to be one of two candidates in the second round. He judged that Sarkozy's law-and-order reputation would ensure that most far-right National Front (FN) supporters would vote for Sarkozy in the second round, adding that the FN would die out with the passing from the scene of Le Pen. Devedjian acknowledged that Sarkozy, having first consolidated his right wing, would need to do more to attract centrist voters. He argued there was still time for this, noting that Sarkozy had already come up with a number of proposals that one normally would have expected to originate on the left, for instance that immigrant permanent residents be allowed to vote in municipal elections.

Segolene Royal the best on the left

19. (C) Asked whom he feared most among the Socialist candidates, Devedjian named Segolene Royal, citing the difficulty of running against an "image". (Comment: Throughout the discussion, Devedjian stressed the importance of running on projects for the future rather than past accomplishments; no one, he said, won elections out of gratitude for what they had done. Jospin, despite his record of reducing unemployment, was proof of that. End comment.) Fortunately, he said only half in jest, the PS would likely refuse her the nomination and thereby spare Sarkozy the need to defeat her himself ("they will take care of her for us"). Devedjian said her candidacy could fall apart if she continued to commit gaffes such as calling on regional leaders to block government subsidies to mayors who apply the CPE, which was against the law. Also making fun of her repeatedly expressed admiration for British PM Tony Blair,

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Devedjian judged that Royal, known for her support for family values and the work ethic, tended "to demobilize" the far-left, which would hurt her chances in the second round, since Communist Party supporters would not vote for her. (Note: Devedjian said that, to win, a party has to mobilize its own voters and demobilize those of the opposition.) Asked who would be the candidate if Royal did not run, Devedjian named former PM Lionel Jospin. But he predicted that Jospin's age and history would tend to work against him. (Comment: By contrast, Socialists often predict that voters will react "with nervousness" to the super-charged Sarkozy and gravitate toward a more reassuring figure. End comment.)

Sarkozy's plans if elected

110. (C) Asked whether Sarkozy, if elected, would attempt to push through a whole series of ambitious reforms in the early months of his office, before French opposition to change blocks further reforms, Devedjian said this would not be the case. The one exception would be the judiciary, where he saw a need for deep-reaching changes. He said he was also interested in changing the constitution to abolish article

49.3 and reduce or abolish the possibilities for censure of dissolution or the parliament. He believed a move to either a more presidential (with the U.S. as model) or parliamentary system (as in the UK) could be accomplished by amending the existing constitution.

#### Devedjian's plans

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¶11. (SBU) Devedjian said he would expect to be a part of a Sarkozy government, but he refused to speculate in what capacity, although he subsequently launched into a discussion of needed judicial reforms. (Note: Pundits predict Sarkozy would name him as Justice Minister.) In departing, he recalled warmly his February 3 meeting with EUR PDAS Volker and Pol M/C (reftel).

#### Comment

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¶12. (C) Devedjian was friendly and animated, and in no hurry to leave. Sarkozy's circle has come to the conclusion that Villepin is now effectively finished as a potential presidential candidate, even though this clearly also represents wishful thinking on their part. Noteworthy was Devedjian's judgment that the CPE may yet prove to be a major test for the government, which contradicts the perception of many that opposition to the CPE has not reached crisis proportions. We'll know more following the March 18 demonstrations.

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Stapleton